

## Summary of Floyd County 2016 Annual Adjustment Methodology

### **Method**

The sales comparison method using local market data was used to adjust the assessments in Floyd County for 2016. The annually adjusted values used in the 2016 ratio study were developed based on updated Local Cost Multipliers, updated application of physical depreciation and any changes in parcel characteristics discovered during the 2018 Cyclical Reassessment Phase II review and new construction field activities. The sales used for the 2016 annual adjustments were from January 1, 2014 to December 31, 2015.

Land base rates and neighborhood factors were examined in each neighborhood and property class. Neighborhoods with an insufficient number of sales were compared to significantly similar neighborhoods. The criteria for comparison were geographic location, similarity of land size and improvement type and age, and any other factors deemed relevant. Comparisons were also made between adjoining neighborhoods and townships to insure the continuity of land base rates and neighborhood factors.

Due to the lack of adequate paired sales or re-sales data, a reliable indication of overall market movement in Floyd County, solely as a function of time, cannot be reasonably supported. Therefore, no time adjustment has been applied to any property class.

The additional tab "Sales Reconciliation" provides an explanation of all sales identified in the "*Floyd Sales Reconciliation 03-21-2016.xlsx*."

### **Industrial Improved Properties:**

Sales for improved industrial properties were expanded to include all valid transactions occurring from January 1, 2013 to December 31, 2015. There were 4 valid improved industrial sales during this expanded sales horizon. They were combined with the improved commercial property sales for analysis.

### **Industrial Vacant Properties:**

Sales for vacant industrial properties were expanded to include all valid transactions occurring from January 1, 2013 to December 31, 2015. There were no valid vacant industrial sales during this expanded sales horizon.

### **Commercial Improved Properties:**

Sales for improved commercial properties were expanded to include all valid transactions occurring from January 1, 2013 to December 31, 2015. There were 56 valid sales countywide, 5 in Georgetown Township, 3 in Lafayette Township and 48 in New Albany Township. Due to the lack of statistically significant samples for Georgetown and Lafayette all 56 sales were combined for analysis.

### **Commercial Vacant Properties:**

Sales for vacant commercial properties were expanded to include all valid transactions occurring from January 1, 2013 to December 31, 2015. There were 3 valid sales transactions for vacant commercial properties during this time period. They were combined with the improved commercial property sales for analysis.

**Residential Improved Properties:** Sales for improved residential properties included all valid transactions occurring from January 1, 2014 to December 31, 2015.

**Residential Vacant Properties:** Sales for vacant residential properties include all valid transactions occurring from January 1, 2014 to December 31, 2015. Based on economic similarity and sound mass appraisal judgement it was advisable to group Franklin, Georgetown, Greenville and Lafayette in order to enhance the statistical reliability of the study. This is consistent with the grouping methodology used in the 2015 ratio study.